

## § 708b.103

merger of a nonfederally-insured or uninsured credit union with a federally-insured credit union.

(b) Where the continuing credit union is nonfederally insured or uninsured but desires to be federally insured as of the date of the merger, an application shall be submitted to the appropriate Regional Director when the merging credit union requests approval of the merger proposal. An NCUSIF deposit and a prorated insurance premium (unless waived in whole or in part for all insured credit unions during that year) will be assessed on any additional share accounts insured as a result of the merger.

(c) Where the continuing credit union is nonfederally insured or uninsured and does not make application for insurance, but the merging credit union is federally insured, the continuing credit union is entitled to a refund of the merging credit union's NCUSIF deposit and to a refund of the unused portion of the NCUSIF share insurance premium (if any). If the continuing credit union is uninsured, the refund will be made only after expiration of the one-year period of continued insurance coverage noted in paragraph (e) of this section.

(d) Where the continuing credit union is nonfederally insured, NCUSIF insurance of the member accounts of a merging federally-insured credit union ceases as of the effective date of the merger. (Refer to subpart B, §§708b.203 and 708b.204 and subpart C, §708b.302(b).)

(e) Where the continuing credit union is uninsured, NCUSIF insurance of the member accounts of the merging federally-insured credit union will continue for a period of one year, subject to the restrictions in section 206(d)(1) of the Act as noted in the Notice of Termination set forth in §708b.301(b)(3). (Refer to subpart B, §§708b.201 and 708b.202, and subpart C, §708b.301(b).)

[52 FR 12374, Apr. 16, 1987. Redesignated at 59 FR 48792, Sept. 23, 1994 and amended at 59 FR 67620, Dec. 30, 1994]

## § 708b.103 Preparation of merger plan.

(a) Upon the approval of a proposition for merger by the boards of directors of the credit unions, a plan for

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the proposed merger shall be prepared. The plan shall include:

- (1) Current financial reports;
- (2) Current delinquent loan schedules annotated to reflect collection problems;
- (3) Combined financial report;
- (4) Analyses of share values;
- (5) Explanation of any proposed share adjustments;
- (6) Explanation of any provisions for reserves, undivided earnings or dividends;
- (7) Provisions with respect to notification and payment of creditors;
- (8) Explanation of any changes relative to insurance such as life savings and loan protection insurance and insurance of member accounts;
- (9) Provisions for determining that all assets and liabilities of the continuing credit union will conform with the requirements of the Act (where the continuing credit union is a Federal credit union); and
- (10) Proposed charter amendments (where the continuing credit union is a Federal credit union). These amendments, if any, will usually pertain to the name of the credit union and the definition of its field of membership.

## § 708b.104 Submission of merger proposal to NCUA.

(a) Upon approval of the merger plan by the boards of directors of the credit unions, the following information will be submitted to the Regional Director:

- (1) The merger plan, as described in this part;
- (2) Resolutions of the boards of directors;
- (3) Proposed Merger Agreement;
- (4) Proposed Notice of Special Meeting of the Members (for merging Federal credit unions);
- (5) Copy of the form of Ballot to be sent to the members (for merging Federal credit unions);
- (6) Evidence that the state's supervisory authority is in agreement with the merger proposal (for states which require such agreement prior to NCUA approval); and
- (7) Application and Agreement for Insurance of Member Accounts (for continuing state credit unions desiring to become federally insured).